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BUSINESS sphere

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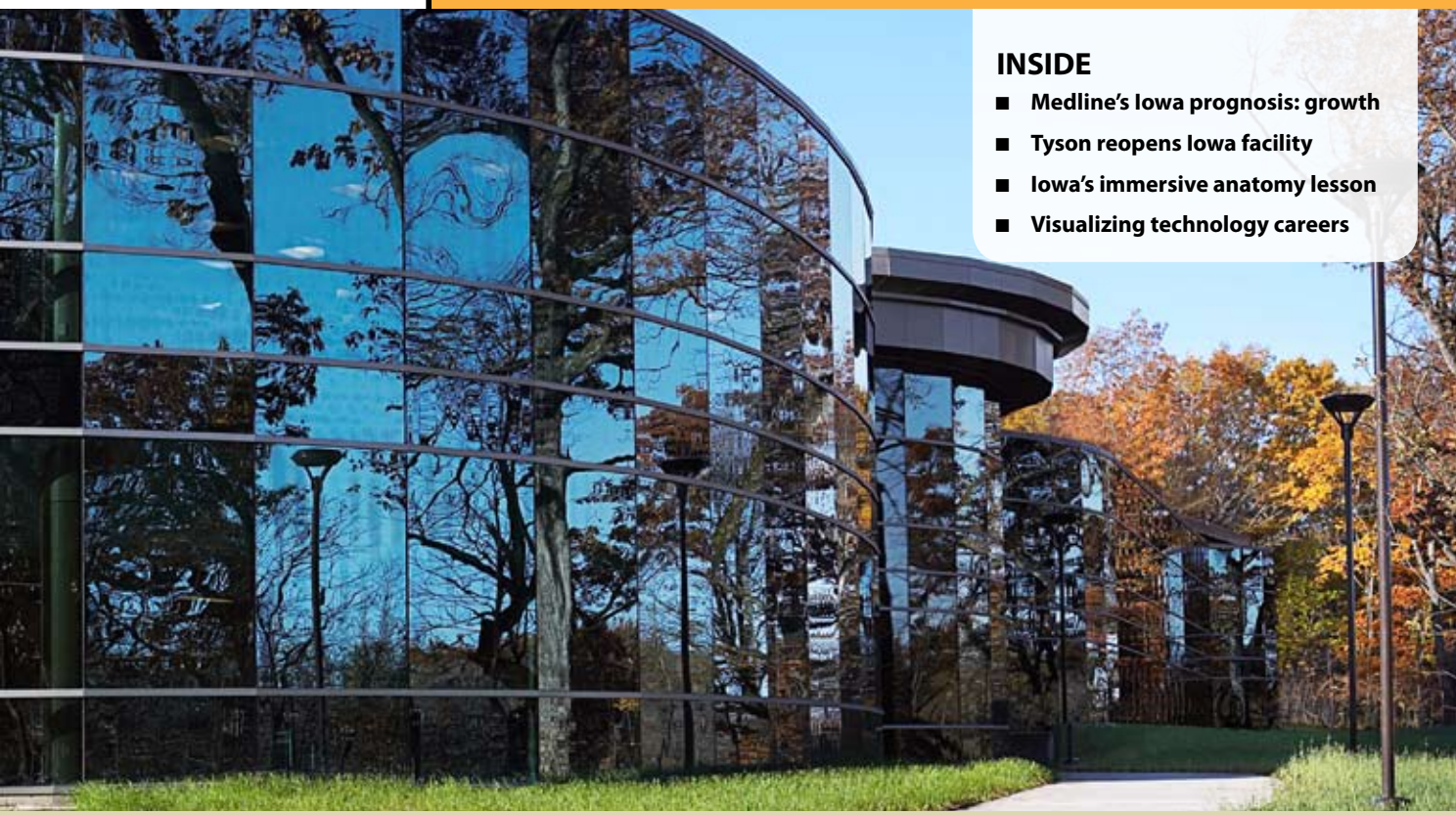
NEWS FROM THE IOWA DEPARTMENT OF ECONOMIC DEVELOPMENT



INSIDE

PFGBest unveils new $18 million Iowa headquarters

50,000 square foot facility touted as 'Prototype for green architecture and innovation.'

At the grand opening of the financial services company PFGBest's new Cedar Falls, Iowa headquarters, Russ Wasendorf, Sr. came full circle. Wasendorf, founder and CEO of PFGBest, started his company in 1980 as Peregrine Financial Group, housed in the basement of his Cedar Falls home.

Today, PFGBest has grown to become an industry leader in world financing and online trading, and it is the 30th largest non-banking financial company in the U.S. With several recent acquisitions, PFGBest is one of the largest and most successful retail futures and foreign exchange brokerages in the country.

PFGBest Founder & CEO Russ Wasendorf at the unveiling of his new Cedar Falls, Iowa headquarters

Wasendorf states, "Our expertise in commodities futures, financial futures and options, forex products and services, and managed-futures accounts, help our corporate and individual customers manage risk."

While some might argue that moving a financial services headquarters from downtown Chicago to Iowa is a risky proposition, Wasendorf scoffs at that notion. "Advances in telecommunications allow us to hold face-to-face video-conferencing meetings with any of the

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New value-added steel from SSAB Iowa

SSAB North America has broken ground for a new Research and Development (R&D) facility to be located adjacent to the Montpelier steel mill in Iowa. "With this investment, SSAB continues to build on its strong foundation – and our local presence here in Iowa – as North America's leading plate supplier. This new facility will strengthen SSAB's position as a global leader in value-added, high strength steel," said David Britten, president, SSAB North America.

The $11 million investment includes a new building and a variety of specialized testing, simulation and metallographic equipment. The R&D department will be staffed by 13 full-time employees, including professional and support staff, who will develop new kinds of steel for specialized products. The Iowa Department of Economic Development awarded tax benefits from the High Quality Job Creation (HQJC) Program to convince SSAB to locate R&D in Iowa.

"Our Montpelier steel mill has been in operation since 1997 and is a key part of SSAB's production platform in North America. Having a strong presence in the Midwest offers many advantages in terms of a strong recruitment base and close proximity to key customer and end use markets – we value this and that is why we continue to strengthen our roots here in Iowa," Britten said.

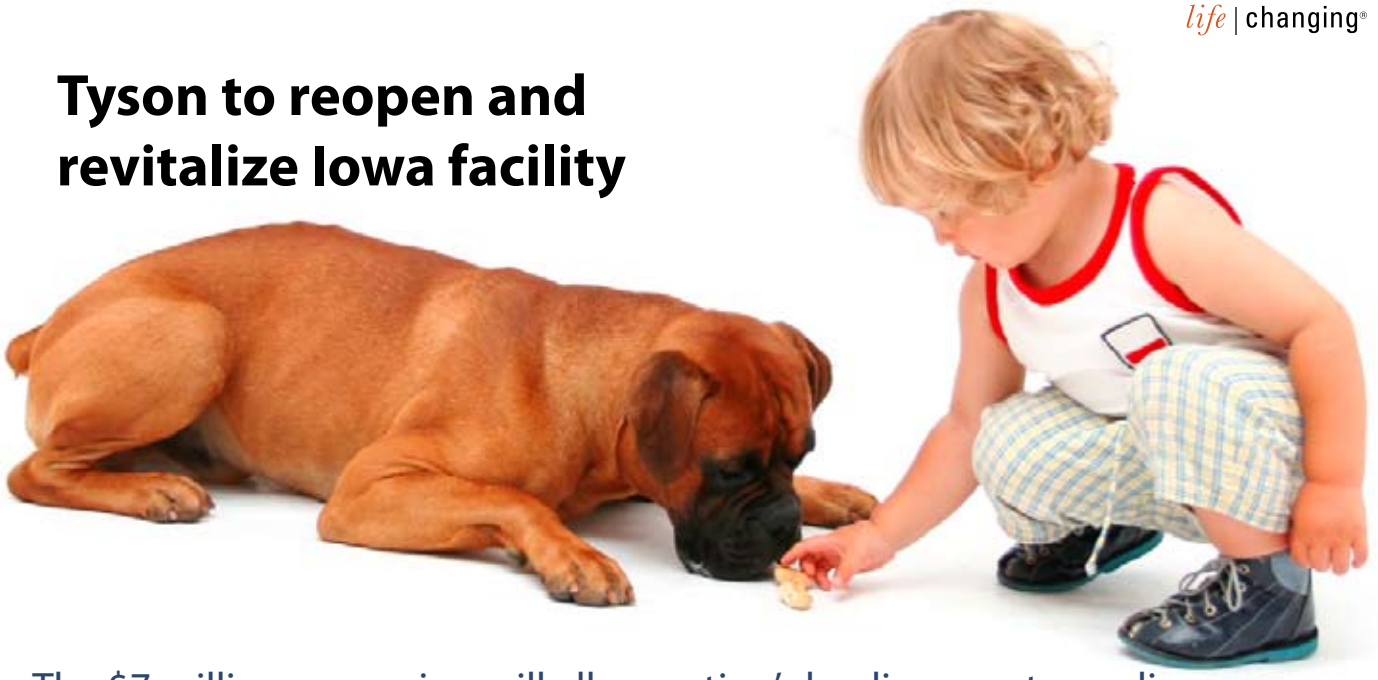
The 25,000 square foot facility is environmentally designed and will be constructed to obtain Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ certification.

Headquartered in Sweden, SSAB is a global leader in value added, high strength steel, employing 9,200 people in more than 45 countries around the world. ■

"Today is a great day for SSAB. We are proud to be here to kick-off the construction of our new R&D facility," said David Britten, president of SSAB North America (center), who was flanked by representatives of the Muscatine County board of supervisors (left) and the Iowa Department of Economic Development (right).

An architect's sketch of SSAB's R&D Facility which is under construction in Muscatine County, Iowa.

Tyson to reopen and revitalize Iowa facility



The $7 million expansion will allow nation's leading meat supplier to enter the $3.4 billion pet treat market

Christmas came early in Independence with the announcement that Tyson Foods, Inc., is entering the companion animal treat market and investing nearly $7 million to reopen and renovate the company's idle production plant in this northeast Iowa community.

When the new equipment and other improvements to the facility are completed in early 2010, the new operation by Provemex International Holdings — a wholly owned Tyson subsidiary — will revolutionize the $3.4 billion pet food market, according to Dave Hogberg, general manager of Tyson Pet Products.

"We've made the strategic decision to become one of the premier producers of pet treats and the Independence facility will play an important role in this process," says Hogberg. "The $3.4 billion pet treats market has experienced more than eight percent compound annual sales growth over the past five years and shows no signs of slowing."

According to Hogberg, Tyson has historically been involved in supplying raw materials for pet foods, but this will be the company's first facility for the production of finished, retail-ready pet products. "We believe this is an area of great opportunity and this initiative is a natural extension of Tyson's strategy to add value to our raw materials into higher-margin products."

Tyson, the world's largest processor and marketer of chicken, beef and pork, is the recognized market leader in the retail and foodservice markets it serves. While Hogberg says it's premature to provide specific details, he says the Independence-produced pet treats will be sold nationally under multiple brand names.

The new plant expects to process more than 1.5 million pounds of raw materials from other Tyson facilities — including its seven pork and beef processing facilities in Iowa — using proprietary processing techniques and principles usually found only in human food facilities. "These processes will ultimately result in pet food treats whose qualities surpass products on the market today," explains Hogberg.

Two Iowa Department of Economic Development administered programs are leveraging the expansion project, which will initially employ 60 production workers and managers and growing to more than 100 workers when the facility is fully utilized. The project was awarded $400,000 from the value-added agricultural component of the Grow Iowa Values Financial Assistance Program (GIVFAP) as well as tax benefits from High Quality Jobs (HQJ) program.

"The commitment from the city, county and state has been exceptional and is very much appreciated. We believe we'll be able to build a successful business together, deliver significant economic benefit through job creation, and also demonstrate our desire to be good stewards of this beautiful community," says Hogberg. ■

An Immersive Lesson in Anatomy

The human body is an incredible machine, and doctors, nurses and other health-care professionals spend years studying its complex structure.

In Iowa City, two University of Iowa-trained scientists with Ph Ds in Engineering started a technology company and developed a virtual reality software tool that allows the virtual dissection and exploration of the human anatomy.

Cyber-Anatomy Inc. and its interactive anatomy software was created for medical education in countries, where due to religious beliefs and customs, cadavers are not readily available, explains Amos Patrick, Cyber-Anatomy director of engineering.

"In the Middle East, for example, the Jewish and Muslim tradition is to bury the deceased within 24 hours if possible," says Patrick. "Because of these religious beliefs and customs, cadavers aren't as available for medical students to study."

That's where Cyber-Anatomy is so important explains Patrick. "Our program provides a realistic and immersive environment for virtual dissection and exploration of both the male and female anatomy.

"Teachers, doctors and other health professionals using our products are able to advance students' core curriculum and understanding of the human body," he continues.

Cyber-Anatomy's proprietary, real time simulation environment makes a full set of interactive functions available.

Rotation, dissecting, zooming in or out, peeling away muscle layers, focusing on specific organs, are just a few examples of the flexibility allowed the student.

The start-up technology company was awarded $70,000 from the Iowa Department of Economic Development's Iowa Demonstration Fund to assist in marketing its technology throughout the globe.

With recent installations of its virtual reality technology systems at Cairo University and the University of Calgary – Qatar, the Demonstration award has already made a huge impact for the company, says Patrick. ■

LEFT: Interactive views from Cyber-Anatomy present medical students with an unforgettable discovery experience, magnifying retention.

BELOW: Cyber-Anatomy brings the interactivity and realism of its learning systems for medical education to the Taipei International Book Exhibition (TIBE).

Medline growing GREEN in Iowa

New 66,000 square foot facility has capacity to double employment; houses eco-friendly technologies

"We're thrilled to be committing ourselves even further to the greater Dubuque community. **We've been fortunate over the last nine years to grow roots here and to develop a staff that is really world class. And as great as this building is and as excited as we are about having this building — buildings are nothing without great people and we have a fabulous staff of people here. They are really a world class staff.**

This building is designed to hold twice as many people as we have here, so we could handle an additional 200 to 250 people. We are going to continue to expand in Dubuque in the months and years that follow."

Jim Abrams
Chief Operating Officer
Medline Industries, Inc.

Medline, the nation's largest privately held manufacturer and distributor of health care products, recently celebrated a ribbon cutting ceremony at its new 66,000 square foot customer care center in Dubuque.

With its opening, the Illinois-based Medline is adding capacity and jobs to the more than 300-employee Iowa center, but more importantly, leading-edge green technologies employed at the facility will greatly reduce the carbon footprint of the building.

According to Renee Poppe, Medline senior director, the new Dubuque facility, which houses the company's customer service center, features energy-efficient lighting, building insulation and a geothermal heating system. "The installation of these green technologies avoids the release of more than 230 metric tons of carbon dioxide," she says.

The Dubuque operation began with about 20 workers in 2000 and now has 275.

"What's more," says Poppe, "While most customer-care centers average 40 percent turnover annually, we experience only four to five percent." The center provides support to Medline's U.S. customer base as well as the company's more than 900 sales reps.

The Iowa Department of Economic Development awarded $480,000 from the Community Economic Betterment Account (CEBA) to leverage the project. In return, Medline pledges to create 63 jobs and retain 97 jobs paying an average wage of $17.29 per hour.

Medline, the rapidly growing health care manufacturer and distributor of more than 100,000 products to hospitals, extended care facilities, surgery centers and other markets, has constructed a world-class, eco-friendly facility to house its equally world-class Iowa workforce.

It can be safely said that the prognosis for Medline and Dubuque, Iowa is continued growth. ■

PFGBest — Continued from Page 1

PFGBest offices in the 80 countries where we are located." And Wasendorf has constructed a building that will help entice talent from Chicago — and around the globe — to come and work.

The 50,000 square-foot, three-story glass headquarters includes a fitness center, day care center and a four-star employee cafeteria. "Our employees are highly skilled, highly compensated, hard to find and harder to replace," says Wasendorf. "We've worked hard to create an extraordinary space for them to work."

According to Wasendorf, the $18 million facility was built to accommodate future company growth and up to 300 employees, and "is a prototype for green architecture and innovation," he says.

The building uses eco-friendly materials, and is heated and cooled by a geothermal system. Lights dim automatically when sufficient natural light comes through windows. Additionally, more than 75 percent of construction waste was recycled and wastewater from the building is recycled through a specially designed wetland adjacent to the building.

"We believe the facility will be the first commercial building in Iowa to attain the coveted gold-level certification from Leadership in Energy and Environmental Design standards," says Wassendorf.

The Iowa Department of Economic Development assisted the expansion project with a $350,000 award from the Community Economic Betterment Account (CEBA) and approval of tax benefits from its High Quality Jobs (HQJ) program.

The ability to manage risk for clients has fueled PFGBest's growth since its founding in Russ Wasendorf's basement office nearly 30 years ago. With the unveiling of a gleaming glass and steel headquarters in Cedar Falls, Iowa, Wasendorf's reward is a state-of-the-art green building that will be the cornerstone of PFGBest's sustained success well into the future. ■

Start the Presses!

Ashley Industrial Molding opens Iowa plant

Imagine the force needed to crush 2,000 Chevy Suburbans sitting one atop another. In the Iowa community of Oelwein, three industrial presses are using that crushing force to create molded parts at the newest plant of Ashley Industrial Molding.

The mammoth 600-ton machines — approximately the weight of 50 Boeing 787 jetliners — arrived in Oelwein this fall after an ocean voyage from China to New Orleans, where they were transferred to barges for the trip up the Mississippi River, then transferred to a caravan of 41 semitrailer trucks for the remainder of the trip to Oelwein. Their final destination: a 142,000-square-foot building that has undergone a $5 million makeover.

Ashley selected Iowa as the site for its first expansion outside of Indiana to be closer to agricultural equipment producers such as Deere & Co., Case New Holland and AGCO Corp.

"We mold large fiberglass composite parts for agricultural, construction, forestry, military and heavy-truck markets," says Scott Pflughoeft, Ashley vice president of operations. "Our new Oelwein facility puts us right in the middle of where our customers have their assembly plants. But our products are also exported to South America, Africa, Asia and Europe."

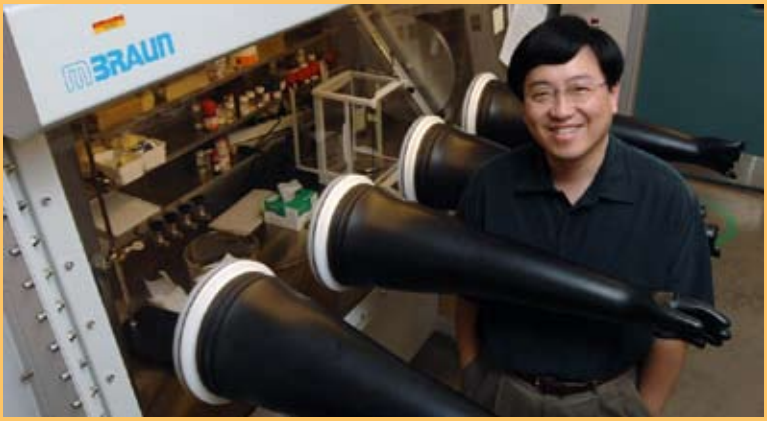
According to Pflughoeft, Ashley started looking for an expansion site in the spring of 2008, primarily in Indiana, Iowa and Wisconsin.

"State and local officials have been excellent to work with, and the expansion project has gone very smoothly," he says. Ashley currently has 80 employees working at the Oelwein plant. Pflughoeft says 125 employees will work there when it's at full capacity."

In return for the pledge to create the new jobs, the $15 million expansion project was awarded Enterprise Zone tax benefits and financial assistance from the Iowa Department of Economic Development.

"We are very pleased with the availability of workers and with the skill sets the workforce possesses," Pflughoeft says. "We are adding new business and see output growing at a steady pace over the next few years." ■

A solid catalyst for renewable fuel production



Victor Lin, an Iowa State University professor of chemistry, started Catilin Inc. to commercialize revolutionary biodiesel technology.

Photo by Bob Elbert, ISU News Service

Pioneering research by Catilin, Inc., an Ames, Iowa-based technology company has the potential to revolutionize biofuel production.

"This technology will change how biodiesel is produced," says Victor Lin, an Iowa State University professor of chemistry, and the inventor of a nanosphere-based catalyst that combines vegetable oils and animal fats with methanol to produce biodiesel. "We are making biodiesel production much more economical and more environmentally friendly."

Biodiesel is a renewable fuel that can be produced from animal fats or vegetable oil and displaces petroleum based diesel fuel. Lin says, "When produced in a sustainable manner, biodiesel reduces the formation of climate-changing greenhouse gases.

"Biodiesel also has the added benefit of increasing engine lubricity and significantly reducing the formation of particulate matter, a known respiratory irritant that is especially harmful to children and young adults," explains Lin.

Catilin is partly owned by Iowa State University and two venture capital firms. It conducts research on the ISU campus at the Roy J. Carver Co-Laboratory while also running a pilot plant at the Biomass Energy Conversion Center in Nevada.

The company's patent-pending technology for the biodiesel industry greatly reduces the cost of producing a gallon of biodiesel while creating a superior quality biodiesel and glycerin by-product.

"The technology is non-toxic, can be easily utilized within existing production facilities, can be reused multiple times and works with virtually every biodiesel feedstock source," says Lin.

In addition, several production steps in the traditional biodiesel production process can be eliminated with Catilin's revolutionary technology, making the process both economically and environmentally more desirable, while producing more pure biodiesel and glycerol side product.

Catilin's technology could make Iowa's existing 15 biodiesel refineries more efficient and profitable.

Catilin was awarded $150,000 from the Iowa Demonstration Fund, administered by the Iowa Department of Economic Development, to assist the company in upgrading its pilot plant.

"The award will allow us to convert our research plant to a continuous flow refinery which is the final step in commercializing our technology," says Lin. ■

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guest opinion

Visualizing technology careers

Jack Harris

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Cedar Rapids, Iowa

Intellectual capital — how the U.S. develops and retains its intellectual talent may be the number one challenge facing U.S. business and industry in the 21st century.

In Iowa, Rockwell Collins is serving as the industry lead in an exciting Iowa-based grass roots, public-private educational pilot project that has the potential of increasing the qualified graduate pipeline of Science, Technology, Engineering and Mathematics (STEM) workers.

Now in its second year of operation, the Iowa Virtual Reality Education Pathfinder (I-VREP) is based on virtual reality (VR) technologies that have been matured through the gaming industry, and have been applied in innovative ways within industry. And I believe placing VR technology in the classroom is disruptive technology — a game changer — for educating today's students.

VR is a technology which allows a user to interact with a computer simulated environment, be it a real or imagined one. VR is often used to describe a wide variety of applications, commonly associated with its immersive, highly visual, 3D environments. Use of immersive visualization increases concept understanding and retention.

In researching the topic of visualization, we found that the human's ability to process text is 100 bits per second versus a visual environment that exceeds one million bits per second. We also found that concept retention was much greater while using immersive, 3D visualization. One could say VR allows a broader opening of the mind's eye.

With the stated goal of tripling the number of STEM college graduates by the year 2020, I-VREP — a partnership among Iowa-based Mechdyne, the nation's leading VR designer and marketer, Rockwell Collins, Deere & Co., Iowa Department of Education, Iowa State University, Iowa Business Council and the Iowa Department of Economic Development (IDED) — is working to place VR technology in every Iowa school district within the next three years in order to meet that goal. In fact, IDED has provided $240,000 in funding to support project infrastructure.

With VR technology in nine Iowa school districts, we are finding:

- Increased student interest and skills in math and science
- Improved student retention of math and science concepts
- Increased student interest in other course work
- Enhanced student oral and written communication skills
- Increased student curiosity and imagination

In short, VR technology in Iowa classrooms is fostering the needed 21st century skills of creativity and innovation.

Iowans have long been proud of our educational heritage. With I-VREP, business and educational leaders are taking steps to enhance its world-class education for Iowans, while ensuring the qualified workforce needed by Iowa's businesses competing in a global economy.

For more information on the Iowa Virtual Reality Education Pathfinder, or a confidential consultation on how Iowa innovation can fuel your company's growth, contact IDED at 800.245.IOWA or visit iowalifechanging.com. ■